JOYCE FOAM PTY LTD AND CONTROLLED ENTITIES

ACN 116 491 635

Annual Financial Report For The Year Ended 31 March 2025

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ACN 116 491 635

31 March 2025

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JOYCE FOAM PTY LTD AND CONTROLLED ENTITIES

Directors' Report
Year ended 31 March 2025

ACN 116 491 635

Your directors present their report on the company and its controlled entity ('Consolidated Group') for the financial year ended 31 March 2025

The names of the directors in office at any time during, or since the end of, the financial year are:

Mr. Rahul Gautam
Mr. Tushaar Gautam
Mr. Rajiv Dhar
Mr. Edward John Dodds
Mr. Kevin James Graham

Directors have been in office since the start of the financial year to the date of this report.

The loss of the Consolidated Group for the financial year after providing for income tax amounted to $2,712,341 (2024:Loss of $223,799).

No significant changes in the Consolidated Group's state of affairs occurred during the year.

The principal activities of the Consolidated Group during the financial year were the manufacture and wholesaling of polystyrene and polyurethane foams.

No significant change in the nature of these activities occurred during the financial year.

Likely developments in the operations of the Consolidated Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Consolidated Group.

The company is subject to environmental regulation in respect of its activities and has put in place processes to ensure compliance with these regulations.

No matter or circumstance has arisen since 31 March 2025 that has significantly affected the Consolidated Group's operations, results or state of affairs, or may do so in future years.

No Dividends were paid or proposed during the financial year.

No options over issued shares or interests in the Consolidated Group were granted during the reporting period or since the end of the financial year and there were no options outstanding at the date of this report.

No indemnities have been given or insurance premiums paid, during the reporting financial year or since the end of the financial year, for any person who is or has been an officer or auditor of the Consolidated Group.

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Group or intervene in any proceedings to which the Consolidated Group is a party for the purpose of taking responsibility on behalf of the Consolidated Group for all or any part of those proceedings.

The Consolidated Group was not a party to any such proceedings during the financial year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Director: J. Dodds

Mr Edward John Dodds

Dated this 15th day of April 2025

NEC Accountants Pty Limited
ABN 80 611 984 797
PO Box 3009 Wetherill Park NSW 2164
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**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF JOYCE FOAM PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2025 there have been:

a/ no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

b/ no contraventions of any applicable code of professional conduct in relation to the audit.

NEC Accountants Pty Limited

Neil Esho
Director
15 April 2025
Sydney, Australia

JOYCE FOAM PTY LTD AND CONTROLLED ENTITIES
ACN 116 491 635
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

		Consolidated	
Continuing Operations	**Note**	**2025**	**2024**
		$	$
Revenue from contracts with customers	2	73,087,600	74,634,698
Cost of sales	3	(61,186,605)	(61,347,553)
Gross profit		11,900,995	13,287,145
Other revenues	2	959,839	2,132,639
Distribution expenses		(5,541,211)	(5,575,572)
Marketing expenses		(3,714,348)	(3,687,120)
Occupancy Expense		(1,692,447)	(1,233,844)
Administration expenses		(3,249,420)	(3,452,540)
Finance costs	3	(2,730,117)	(2,437,942)
Other expenses	3	-	-
Profit/(loss) before income tax		(4,066,709)	(967,234)
Income tax (expense)/benefit	4	1,354,368	743,434
Profit/(loss) for the year		(2,712,341)	(223,799)
Other comprehensive income		-	-
Total comprehensive income for the year		(2,712,341)	(223,799)
Profit/(loss) and total comprehensive income attributable to the members of Joyce Foam Pty Ltd		(2,712,341)	(223,799)

The accompanying notes form part of these financial statements.

JOYCE FOAM PTY LTD AND CONTROLLED ENTITIES
ACN 116 491 635
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2025

	Note	Consolidated 2025 $	2024 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	961,032	2,183,048
Trade and other receivables	7	12,712,908	11,298,454
Inventories	8	10,459,830	9,872,876
Other current assets	9	128,758	105,977
TOTAL CURRENT ASSETS		24,262,528	23,460,355
NON-CURRENT ASSETS			
Trade and other receivables	7	-	-
Property, plant and equipment	11	67,955,887	59,162,159
Deferred tax assets	15	2,829,670	1,604,337
Intangible assets	12	61,158	61,158
TOTAL NON-CURRENT ASSETS		70,846,715	60,827,655
TOTAL ASSETS		95,109,243	84,288,010
CURRENT LIABILITIES			
Trade and other payables	13	(15,735,615)	(17,750,674)
Borrowings	14	(12,168,572)	(8,428,581)
Current tax liabilities	15	-	203,713
Provisions	16	(1,590,402)	(1,674,313)
TOTAL CURRENT LIABILITIES		(29,494,589)	(27,649,855)
NON-CURRENT LIABILITIES			
Trade and other payables	13	(30,308,271)	(19,607,664)
Borrowings	14	(6,905,933)	(7,559,500)
Provisions	16	(663,104)	(434,836)
TOTAL NON-CURRENT LIABILITIES		(37,877,308)	(27,602,000)
TOTAL LIABILITIES		(67,371,897)	(55,251,855)
NET ASSETS		27,737,346	29,036,155
EQUITY			
Issued capital	17	6,585,000	6,585,000
Retained earnings		19,737,732	22,451,155
TOTAL EQUITY		26,322,732	29,036,155

The accompanying notes form part of these financial statements.

JOYCE FOAM PTY LTD AND CONTROLLED ENTITIES
ACN 116 491 635
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 MARCH 2025

Consolidated	Ordinary Share Capital	(Accumulated Losses)/Retained Earnings	Total $
Balance as at 1 April 2023	6,585,000	22,674,425	29,259,425
Profit (loss) and total comprehensive income for the year		(223,799)	(223,799)
Adjustments		529	529
Total comprehensive income for the year	6,585,000	22,451,155	29,036,155
Total transactions with owners in their capacity as owners	-	-	-
Balance at 31 March 2024	6,585,000	22,451,155	29,036,155
Balance as at 1 April 2023	6,585,000	22,451,155	29,036,155
Profit (loss) and total comprehensive income for the year		(2,712,341)	(2,712,341)
Adjustments		(1,082)	(1,082)
Total comprehensive income for the year	6,585,000	19,737,732	26,322,732
Total transactions with owners in their capacity as owners	-	-	-
Balance at 31 March 2024	6,585,000	19,737,732	26,322,732

The accompanying notes form part of these financial statements.

JOYCE FOAM PTY LTD AND CONTROLLED ENTITIES
ACN 116 491 635
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Consolidated 2025	2024
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		80,500,330	83,953,814
Interest received		26,425	35,727
Rental income		1,026,856	2,306,467
Payments to suppliers and employees		(80,609,663)	(73,290,448)
Finance costs		(2,730,117)	(2,437,942)
Income tax paid / (refunded)		332,748	946,458
Net cash provided by (used in) operating activities	19	(1,453,422)	11,514,076
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(418,562)	(4,188,474)
Net cash provided by (used in) investing activities		(418,562)	(4,188,474)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		6,515,002	1,500,000
Repayment of Finance Lease		-	-
Repayment of borrowings		(3,428,579)	(3,428,581)
Repayment of right of use liabilities		(3,851,072)	(4,029,025)
Net cash provided by (used in) financing activities		(764,649)	(5,957,606)
Net increase/(decrease) in cash held		(2,636,632)	1,367,996
Cash at beginning of financial period		2,183,050	815,054
Cash at end of financial period	6	(453,582)	2,183,050

The accompanying notes form part of these financial statements.

Note 1 Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preperation of these consolidated financial statements to the extent they have not already been disclosed in other notes below. The policies have been consistently applied to all years presented, unless otherwise stated. The financial statements are for the group consisting of Joyce Foam Pty Ltd and its controlled entity (the consolidated group). Joyce Foam Pty Ltd is a company limited by shares incorporated and domiciled in Australia.

The financial statements were authorised for issue on 15th April 2025 by the Directors of the company.

Basis of Preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* . Joyce Foam is a for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards - Simplified Disclosure Requirements
The consolidated financial statements of Joyce Foam Pty Ltd comply with Australian Accounting Standars - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

Historical Cost Convention
The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and investment property - measured at fair value. At 31 March 2025, the consolidated group did not hold such assets.
- assets held for sale - measured at fair value less cost of disposal. At 31 March 2025, the consolidated group did not hold such assets.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity that Joyce Foam Pty Ltd has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. A list of controlled entities is contained in Note 10 to the financial statements. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the economic enity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity. The change in accounting policy has no impact on the profit and balance sheet line items of the current and prior periods.

Where the controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(b) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity.

(d) Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(e) Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over their estimated useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The estimated useful lives for various categories of assets varies as follows:
Machinery -10 to 15 years
Vehicles - 4-6 years
Furniture, fittings and equipment - 3-5 years

Impairment
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Leases

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses the incremental borrowing rate.

(g) Impairment of Assets

At each reporting date, the director's review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of business combination over the company's interest in the net fair value of identifiable assets acquired.

(i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(j) Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(k) Employee Benefits

Provision is made for the company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(l) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(n) Revenue

Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (GST).

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Comparative Figures

Comparative figures have been adjusted to confirm to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy. An exception to this clause is the adoption of AASB 16.

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment - General
The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of any asset for the financial year.

(s) Financial support provided by parent company

The company is reliant on the continued financial support of its parent company, Sheela Foam Ltd, domiciled in India.

This support includes bank guarantees issued by the parent to Citibank, which have enabled the company to secure adequate debt financing to meet its working capital and capital expenditure needs as and when required.

The Citibank loans are detailed in Note 14.

		Note	Consolidated 2025 $	Consolidated 2024 $
Note 2	**Revenue**			
	Operating activities			
	— Revenue from contracts with customers		73,087,600	74,634,698
	— interest received	(a)	26,425	35,727
	— Rental Income		934,416	2,095,548
	— Profit/(Loss) on sale of non current assets		(1,002)	1,364
	Total Revenue		74,047,439	76,767,337
(a)	Interest revenue from:			
	— other persons		26,425	35,727
			26,425	35,727
Note 3	**Profit and Loss items**			
(a)	Expenses			
	Cost of sales		(61,186,605)	(61,347,553)
	Finance costs :			
	— Bank & other institutions		(1,153,611)	(1,110,730)
	— Financing Right of use assets		(1,316,793)	(1,077,212)
	— Ultimate parent company		(259,713)	(250,000)
	Depreciation		(6,840,424)	(5,103,985)

Note 4 **Income Tax Expense**

The major components of tax expense and the reconciliation of the expected tax expense based on the effective tax rate of 30% (2024: 30%) and the reported tax expense in profit or loss are as follows:

		Consolidated 2025	Consolidated 2024
(a)	Profit (loss) before tax	(4,066,709)	(967,234)
	Tax rate	30%	30%
	Expected tax expense / (benefit)	(1,220,013)	(290,170)
	Other non deductible / assessable items	(128,645)	(348,598)
	Adjustment for timing differences	(5,710)	146,748
	Adjustments for current tax of prior periods	-	(251,414)
	Actual tax expense	(1,354,368)	(743,434)
(b)	Tax expense comprises:		
	Current tax expense	-	(386,038)
	Deferred tax expense/income	(1,354,368)	(357,396)
	Tax expense	(1,354,368)	(743,434)

		Note	Consolidated 2025 $	Consolidated 2024 $
Note 5	**Auditors' Remuneration**			
	Remuneration of the auditor of the company for auditing or reviewing the financial reports:			
	- NEC Accountants		87,000	75,080
			87,000	75,080
Note 6	**Cash and Cash Equivalents**			
	Cash at bank and in hand		961,032	2,183,048
			961,032	2,183,048
Note 7	**Trade and Other Receivables**			
	CURRENT			
	Trade receivables		9,248,577	9,352,546
	Provision for impairment of receivables		(75,184)	(108,656)
			9,173,393	9,243,890
	Other receivables		3,539,515	2,054,564
			3,539,515	2,054,564
			12,712,908	11,298,454
	NON-CURRENT			
	Other receivables		-	-
			-	-

Classification of trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The consolidated group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Impairment of trade receivables

The consolidated group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2025 or 31 March 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forwardlooking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The consolidated group has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the consolidated group, and a failure to make contractual payments for a period of greater than 120 days past due.

Significant Estimates

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The consolidated group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the consolidated group’s past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

		Note	Consolidated 2025 $	Consolidated 2024 $
Note 8	**Inventories**			
	CURRENT			
	At cost			
	Raw materials and stores		4,761,843	4,265,234
	Finished goods		5,697,987	5,607,642
			10,459,830	9,872,876
Note 9	**Other Assets**			
	CURRENT			
	Income Tax Receivable		-	-
	Other		128,758	105,977
			128,758	105,977

Note 10 **Subsidiary**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in Note 1(a).

		2025	2024
Unlisted investments at cost			
Joyce W C NSW Pty Limited	Australia	100%	100%
		100%	100%

* The parent entity and subsidiary are incorporated and domiciled in Australia. The shares held in the subsidiary are ordinary shares.

Note 11 **Property, Plant and Equipment**

	2025 $	2024 $
Right of Use Asset - property lease		
Fair value on initial recognition	47,930,809	40,562,989
Accumulated depreciation	(15,609,501)	(19,499,716)
	32,321,308	21,063,273
Leasehold Improvements	265,872	-
Accumulated depreciation	-	-
	265,872	-
Assets under construction	175,003	660,166
Freehold Land and Building at:		
At cost	12,464,936	12,327,565
Accumulated depreciation	(1,804,620)	(1,501,806)
Total buildings	10,660,316	10,825,759
Total land and buildings	10,660,316	10,825,759
PLANT AND EQUIPMENT		
Right of Use Asset - equipment	157,220	368,377
Accumulated depreciation	(157,220)	(351,750)
	-	16,627
Plant and equipment:		
At cost	50,286,925	49,553,249
Accumulated depreciation	(25,904,129)	(23,117,918)
	24,382,796	26,435,331
Leased plant and equipment		
Capitalised leased assets	208,244	208,244
Accumulated depreciation	(57,652)	(47,240)
	150,592	161,004
Total plant and equipment	24,533,388	26,612,962
Total property, plant and equipment	67,955,887	59,162,159

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:

At 31 March 2025	Assets under construction	Right of Use Assets	Land and Buildings	P&E and all other	Total
Opening net book value	660,166	21,079,900	10,825,759	26,596,335	59,162,160
Additions	418,477	14,950,802	-	265,872	15,635,151
Transfers	- 903,640	-	137,371	766,269	-
Sales	-	-	-	- 1,000	- 1,000
Depreciation		- 3,709,395	- 302,813	- 2,828,216	- 6,840,424
Closing net book value	175,003	32,321,307	10,660,317	24,799,260	67,955,887

		Note	Consolidated 2025 $	2024 $
Note 12	**Intangible Assets**			
	GOODWILL			
	At Cost		61,158	61,158
			61,158	61,158
Note 13	**Trade and Other Payables**			
	CURRENT			
	Unsecured liabilities			
	Trade payables		(9,592,915)	(9,798,353)
	Sundry payables and accrued expenses		(2,162,827)	(4,371,571)
	Property & equipment leases		(3,979,873)	(3,580,750)
			(15,735,615)	(17,750,674)
	NON CURRENT			
	Property & equipment leases		(30,308,271)	(19,607,664)
			(30,308,271)	(19,607,664)
			(46,043,886)	(37,358,337)
Note 14	**Borrowings**			
	CURRENT			
	Working Capital Loan - Citibank	(a)	(8,000,000)	(5,000,000)
	Citibank Term Loan 1	(a)	(928,572)	(928,573)
	Citibank Term Loan 2	(a)	(1,500,000)	(1,500,000)
	Citibank Term Loan 3	(a)	(1,000,008)	(1,000,008)
	Citibank Term Loan 4	(a)	(739,992)	-
			(12,168,572)	(8,428,581)
	NON-CURRENT			
	Citibank Term Loan 1	(a)	(2,089,283)	(3,017,852)
	Citibank Term Loan 2	(a)	(375,000)	(1,875,000)
	Citibank Term Loan 3	(a)	(1,666,640)	(2,666,648)
	Citibank Term Loan 4	(a)	(2,775,010)	-
			(6,905,933)	(7,559,500)

(a) The Citibank facilities are secured by a first registered mortgage over the freehold property and by a fixed and floating charge over all the assets and undertakings of the consolidated group including plant and machinery.

The company's parent entity, Sheela Foam Ltd, a company domiciled in India, provides guarantees for Citibank facilities described above.

		2025 $	2024 $
Note 15	**Tax Assets and Liabilities**		
(a)	Liabilities - Current		
	Income tax refundable	-	203,713
		-	203,713
(b)	Assets - Non Current		
	Deferred tax assets	2,829,670	1,604,337
		2,829,670	1,604,337

Note 16 Provisions

	Consolidated 2025 $	Consolidated 2024 $
CURRENT		
Long Service Leave provision	(449,322)	(432,270)
Annual Leave provision	(1,125,582)	(1,242,043)
Warranty	(15,498)	-
	(1,590,402)	(1,674,313)
NON-CURRENT		
Long Service Leave provision	(397,232)	(434,836)
De-commissioning	(265,872)	-
	(663,104)	(434,836)

Note 17 Issued Capital

	2025 $	2024 $
658,500 - $10.00 fully paid shares	6,585,000	6,585,000

The company has authorised share capital amounting to $6,585,000 ordinary shares.

(a) Ordinary Shares	2025 No.	2025 $	2024 No.	2024 $
At the beginning of reporting period	658,500	6,585,000	658,500	6,585,000
Shares issued during year	-	-	-	-
At reporting date	658,500	6,585,000	658,500	6,585,000

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 18 Cash Flow Information

	Consolidated 2025 $	Consolidated 2024 $
(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit/(Loss) after Income tax	(2,712,341)	(223,799)
Non-cash flows items		
Depreciation	6,840,421	5,103,987
(Profit)/Loss on sale of assets	-	-
(b) Changes in assets and liabilities	-	-
(Increase)/decrease in trade and term debtors	(1,414,451)	1,255,548
(Increase)/decrease in other assets	(22,781)	(53,775)
(Increase)/decrease in inventories	(586,954)	1,863,209
(Increase)/decrease in deferred tax assets	(1,225,333)	(357,396)
Increase/(decrease) in payables	(2,414,181)	3,388,395
Increase/(decrease) in income taxes payable	203,713	560,419
Increase/(decrease) in provisions	(121,515)	(22,512)
	(1,453,422)	11,514,076

(c) Undrawn facilities available to the Company at 31 March 2025 are as follows:

	Total Facility Amount $	Undrawn Amounts $
Citibank Term Loan 1	7,500,000	-
Citibank Term Loan 2	6,500,000	-
Citibank Term Loan 3	5,000,000	-
Citibank Term Loan 4	3,700,000	-
Citibank Guarantee Facility	3,000,000	453,411
Citibank Working Capital Facility	8,000,000	-
	33,700,000	453,411

Note 19 Events After the Balance Sheet Date

No matters or circumstances have arisen since the end of the period which significantly affected the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in the financial year subsequent to 31 March 2025.

Note 20 Capital Management

The Director’s control the capital of the Group in order to maintain a good debt to equity ratio, externally imposed debt covenants and ensure that the Group can fund its operations and continue as a Going concern.

The Director’s effectively manage the consolidated group's capital by assessing the consolidated group's financial risk and adjusting the capital structure in response to changes in these risks and the debt covenants. This would include issuing new shares, managing debt levels or adjusting distributions to shareholders as and when the need arises. There have been no changes in the strategy adopted by management to control the capital of the company since the prior year.

Note 21 Related Party Transactions

(a) Current payables / receivables (purchases / sales of goods):

	Consolidated 2025 $	Consolidated 2024 $
Parent Entity:		
Receivable Sheela Foam Ltd	-	56,550
Payable to Sheela Foam Ltd	287,307	810,400
Other Group Entities:		
Payable to Staqo World Private Limited	420,000	-
(c) Sales and purchases of goods and services		
- Sale of goods to parent entity	1,550	248,250
- Management and IT services paid/payable to parent entity	-	787,200
- Management and IT services paid/payable to group entity (Staqo World Private Limited)	560,000	-
- Stock/spares purchased from parent entity	131,997	38,000
- Guarantee fee paid/payable to parent entity	259,713	250,000
(d) Key management personnel compensation	1,295,699	1,220,793

Note 22 Contingent Liabilities and Contingent Assets

At 31 March 2025, the consolidated group had no contingent liabilities or contingent assets.

Note 23 Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Consolidated 2025 $	2024 $
Balance Sheet		
Current assets	24,262,528	23,460,355
Total assets	95,109,243	84,288,010
Current liabilities	(29,494,589)	(27,649,855)
Total liabilities	(67,371,897)	(55,251,855)
Shareholders Equity		
Issued Capital	6,585,000	6,585,000
Retained Earnings	19,737,732	22,451,155
	26,322,732	29,036,155
Profit or loss for the period	(2,712,341)	(223,799)

Note 24 Group Information

The consolidated group comprises Joyce Foam Pty Ltd (the parent entity) and Joyce WC Pty Ltd (the controlled entity).

Note 25 Company Details

The registered office of the company is:
5-9 Bridges Road
Moorebank
NSW 2170

The principal place of business is:
5-9 Bridges Road
Moorebank
NSW 2170

JOYCE FOAM PTY LTD
ACN 116 491 635

DIRECTORS' DECLARATION

In the directors' opinion:

1. The financial statements and notes, as set out on pages 4 to 19 in accordance with the *Corporation Act 2001,* including;

    a) comply with Accounting Standards , the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

    b) give a true and fair view of the company's financial position as at 31 March 2025 and of its performance for the year ended on that date

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors:

Director ______________________________

Mr Edward John Dodds

Date 15th April 2025

NEC Accountants Pty Limited
ABN 80 611 984 797
PO Box 3009 Wetherill Park NSW 2164
Ph: 02 8007 6170 | e: neil@necaccountants.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF JOYCE FOAM PTY LTD AND CONTROLLED ENTITIES

We have audited the financial report of Joyce Foam Pty Ltd and its subsidiary (the Group or consolidated entity), which comprises the consolidated statement of financial position as at 31 March 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Joyce Foam Pty Ltd and the consolidated entity is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 March 2025 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(s) in the financial report. The company is reliant on the continued financial support of Sheela Foam Ltd, its parent company domiciled in India. As noted in Note 1(s), Sheela Foam Ltd has provided Bank Guarantees to Citibank, which has enabled the company to secure adequate debt financing to meet its working capital and capital expenditure needs as and when required.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 31 March 2025, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NEC Accountants Pty Limited

Neil Esho
Director
15 April 2025
Sydney, Australia